



**COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT**

*Promoting the wise use of land
Helping build great communities*

PLANNING COMMISSION

MEETING DATE	CONTACT/PHONE	APPLICANT	FILE NO.
May 14, 2015	Xzandrea Fowler / 781-1172 xfowler@co.slo.ca.us	County of San Luis Obispo	LRP2013-00012
SUBJECT			
<p>Hearing to consider a request by the COUNTY OF SAN LUIS OBISPO for amendments to the Agricultural Element and the Conservation and Open Space Element of the General Plan; and amendments to Title 8 (Health and Sanitation Code), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code in order to implement the Water Neutral New Development and the Water Waste Prevention components of the proposed Countywide Water Conservation Program. The proposed Countywide Water Conservation Program and associated amendments would affect water use in both new and existing development, including all urban and rural land uses within the unincorporated areas of the county as well as agricultural operations. The requested amendments would specifically modify: 1) the Agricultural Element of the County General Plan, Agricultural Goal – AG1 (Support County Agricultural Production), Agricultural Policies – AGP10 (Water Conservation) and AGP11 (Agricultural Water Supplies); 2) the Conservation and Open Space Element of the County General Plan, Water Resource Policy – WR 1.7 (Agricultural operations), Water Resource Implementation Strategy - WR 1.7.1 (Protect agricultural water supplies), and Water Resource Policy - WR 1.14 (Avoid net increase in water use); 3) Title 8 (Health and Sanitation Ordinance) of the County Code for the addition of a new Chapter 8.69 – Urban and Rural Development Water Conservation Requirements; 4) Title 19 (Building and Construction Ordinance) of the County Code, Chapter 7 – Plumbing Code, Section 19.07.42 – Water Conservation Provisions; and 5) Title 22 (Land Use Ordinance) of the County Code, Chapter 22.06 – Allowable Land Uses and Permit Requirements by Land Use Category, Section 22.06.030 - Table 2-2, Section 22.06.040 – Exemptions from Land Use Permit Requirements, Chapter 22.30 – Standards for Specific Land Uses for the addition of a new Section 22.30.204 – New or Expanded Crop Production Overlying the Paso Robles Groundwater Basin, Section 22.30.310 – Nursery Specialties, Chapter 22.62 – Permit Approval or Disapproval, Section 22.62.030 – Zoning Clearance, and Chapter 22.80 – Definitions/Glossary, Section 22.80.030 – Definitions of Land Uses, and Specialized Terms and Phrases. This project affects all of the unincorporated portions of the County.</p>			
RECOMMENDED ACTION			
<p>Staff recommends the Planning Commission take the following action:</p> <ol style="list-style-type: none">1. Review and provide comments on Draft SEIR;2. Review and provide comments on the proposed changes to the Agricultural Element and the Conservation and Open Space Element of the General Plan; and3. Review and provide comments on the proposed changes to Title 8 (Health and Sanitation Ordinance), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code.			
<p>ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT: COUNTY GOVERNMENT CENTER γ SAN LUIS OBISPO γ CALIFORNIA 93408 γ (805) 781-5600 γ FAX: (805) 781-1242</p>			

ENVIRONMENTAL DETERMINATION

The Environmental Coordinator, after completion of the initial study, finds that there is evidence that the project may have a significant effect on the environment, and therefore a Draft Supplemental Environmental Impact Report (DSEIR) was prepared (pursuant to Public Resources Code Section 21000 et seq., and CA Code of Regulations Section 15000 et seq. ("CEQA")) for this project. The DSEIR was prepared as a Supplemental EIR to the previously certified Environmental Impact Report for the Conservation and Open Space Element (COSE) of the County General Plan, which analyzed the potential impacts associated with the adoption and subsequent implementation of the COSE Consolidation and Update. The DSEIR addresses potential impacts on: Agricultural Resources and Land Use. Mitigation measures are proposed to address these impacts and have been incorporated into the proposed Countywide Water Conservation Program. Prior to completion of the Planning Commission hearings, a Final Supplemental Environmental Impact Report (FSEIR) will be completed (pursuant to CEQA) for this project and will be provided to the Planning Commission for consideration and potential certification recommendation to the Board of Supervisors. Anyone interested in commenting on or receiving a copy of the proposed Environmental Determination should submit a written statement. The public comment period on the DSEIR is open until Friday, May 15, 2015. Written comments received during that time will be included and responded to in the FSEIR, pursuant to CEQA. Additional comments will be accepted up until completion of the public hearing(s).

LAND USE CATEGORY	COMBINING DESIGNATION	ASSESSOR PARCEL NUMBER	SUPERVISOR DISTRICT(S)
All	Not Applicable	Not Applicable	All

PLANNING AREA STANDARDS:

Not Applicable

EXISTING USES:

Not Applicable

SURROUNDING LAND USE CATEGORIES AND USES:

Not Applicable

OTHER AGENCY / ADVISORY GROUP INVOLVEMENT:

The project was referred to: Public Works, Environmental Health, Ag Commissioner, County Parks, CAL FIRE, County Assessor's Office, Health Commission, APCD, All Community Advisory Groups (including Water Resources Advisory Committee, Agricultural Liaison Advisory Board, Paso Basin Advisory Committee), Community Service Districts (Avila CSD, Atascadero Mutual Water Company, Cambria CSD, CSA 10-Cayuco Water, CSA 16-Shandon, CSA 23-Santa Margarita, Garden Farms Community Water District, Heritage Ranch CSD, Los Osos CSD, Nipomo CSD, Oceano CSD, Paso Robles Beach Water Association, San Miguel CSD, San Miguelito Mutual Water Company, San Simeon CSD, Templeton CSD), City of Atascadero, City of Paso Robles, City of San Luis Obispo, City of Pismo Beach, City of Arroyo Grande, City of Grover Beach, City of Morro Bay, County of Santa Barbara, County of Monterey, County of Kern, County of Kings, Upper Salinas-Las Tables Resource Conservation District, Coastal San Luis Resource Conservation District, Native American Heritage Commission, Regional Water Quality Control Board, State Water Quality Control Board, State Water Resources Control Board, California Coastal Commission, California Department of Fish and Wildlife, State Parks, Department of Conservation, Soil Conservation Service, Cal Trans, U.S. Fish and Wildlife, and U.S. Forest Service.

TOPOGRAPHY:

Not Applicable

VEGETATION:

Not Applicable

PROPOSED SERVICES:

Not Applicable

AUTHORIZED FOR PROCESSING DATE:

March 4, 2014

PROJECT HISTORY

The Resource Management System (RMS) classifies the availability of many resources in the County, including groundwater supplies. Three groundwater basins in the County have been certified at a Level of Severity (LOS) III, which indicates that groundwater demand has met or exceeded the dependable supply. The groundwater basins certified at LOS III are the Los Osos Groundwater Basin, the Nipomo Mesa Management Area (part of the Santa Maria Groundwater Basin), and the Paso Robles Groundwater Basing (PRGWB).

Los Osos Groundwater Basin

The Los Osos Basin underlies the unincorporated communities of Los Osos, Baywood Park and Cuesta-by-the-Sea in San Luis Obispo County. The onshore portion of the Los Osos Basin covers approximately 12 square miles, of which approximately four square miles underlie the bay (Morro Bay) and sand spit, and eight square miles underlie the Los Osos communities. The majority of groundwater (52 percent) is extracted for residential, commercial and community uses by the three water purveyors within Los Osos, although the basin also supports agriculture (24 percent), private domestic wells (22 percent), and community facilities (2 percent) (County of San Luis Obispo, 2013).

The LOS III designation for water supply was certified by the Board of Supervisors based on a Resource Capacity Study prepared by the County in February 2007. The Resource Capacity Study confirmed that, for the Los Osos area water demand exceeds sustainable yield and that the lower aquifer system in the Los Osos Basin was experiencing sea water intrusion.

Nipomo Mesa Management Area

The Nipomo Mesa Management Area (NMMA) is located completely within San Luis Obispo County and encompasses an area of approximately 27.5 square miles. The Basin contains Black Lake Canyon and Black Lake (California Department of Water Resources, 2002).

The LOS III designation for water supply was certified by the Board of Supervisors based on a Resource Capacity Study prepared by the County in November 2004. The Resource Capacity Study confirmed that, for the Nipomo Mesa area, demand equaled or exceeded the dependable yield. Therefore, LOS III was recommended for the water resources of the Nipomo Mesa area.

Paso Robles Groundwater Basin

The Paso Robles Groundwater Basin (PRGWB) encompasses an area of approximately 790 square miles and ranges from the Garden Farms area south of Atascadero in San Luis Obispo County to San Ardo in Monterey County, and from the Highway 101 corridor east to Shandon. The PRGWB supplies water for 29 percent of San Luis Obispo County's population and an estimated 40 percent of its agricultural production. The municipal and industrial water demands on the Paso Robles Groundwater Basin include the cities of Paso Robles and Atascadero, the communities of Templeton, Shandon, Creston, and San Miguel, Bradley, Camp Roberts, and the small community systems in Whitley Gardens and Garden Farms (City of Paso Robles, February 2011).

The LOS III designation for water supply was certified by the Board of Supervisors based on a Resource Capacity Study prepared by the County in February 2011. The Resource Capacity Study confirmed that, for the PRGWB, demand had met or exceeded perennial yield. Therefore, LOS III was recommended, and certified by the Board of Supervisors, for the water resources of the PRGWB. According to the Draft 2012-2014 Resource Summary Report (January 2015), portions of the PRGWB have experienced significant water level declines over the past 15 to 20 years.

On August 27, 2013, the Paso Robles Groundwater Basin Urgency Ordinance was adopted by the County Board of Supervisors, establishing a moratorium on new or expanded irrigated crop production, conversion of dry farm or grazing land to new or expanded irrigated crop production, as well as new development dependent upon a well in the PRGWB unless such uses offset their total projected water use by a ratio of 1:1.

In order to address the urgent water needs within the PRGWB prior the expiration of the Paso Robles Groundwater Basin Urgency Ordinance, specific provisions are included which allow for the County to contemplate amendments to its general plan and/or zoning ordinance. In addition, it also allows time to complete necessary studies and reports for the contemplated amendments, while preserving the resources of the Basin.

To assist in these efforts, the County Board of Supervisors established the Paso Robles Groundwater Basin Advisory Committee (PBAC) to advise policy decisions related to implementation of the Basin Groundwater Management Plan, development of an “enhanced” Groundwater Management Plan for the Basin, formation of a new water district, the Computer Modal Update, and other policies and ordinances. The PBAC also serves as a public forum to discuss and collect comments on PRGWB issues.

Current Drought Situation

California is entering its fourth year of severe drought. Precipitation throughout the state has been well below what would be typical for late winter. The manual snowpack surveys recorded throughout California have continued to be well below normal to date. Much of the state remains in a severe drought or worse. The latest U.S. Drought Monitor report indicates San Luis Obispo County remains at the D4 – Exceptional Drought intensity rating. The vast majority of California is in Severe Drought or worse. As a result of the exceptional drought conditions in San Luis Obispo County significantly lower water levels in groundwater basins, surface lakes, and reservoirs continue to occur throughout the County. An exceptional drought is characterized by the United States Department of Agriculture (USDA) and the National Drought Mitigation center as having exceptional and widespread crop and pasture losses, shortages of water in reservoirs, streams and wells creating water emergencies.

Board Direction

On March 4, 2014, the Board authorized staff to proceed with the processing of various General Plan and County Code amendments to develop and implement a County Water Conservation Ordinance (Countywide Water Program), consisting of New Landscape requirements, Retrofit-on-Sale, Water Waste Prevention, and Water Neutral New Development.

On May 20, 2014, the Board directed staff to include incentive based programs that could result in reductions of outdoor water use to the previously authorized processing of the County Water Conservation Ordinance (Countywide Water Program).

On October 28, 2014, the Board reviewed the AG Offset program for the PRGWB developed by the Upper Salinas-Las Tablas Resource Conservation District (RCD). At the meeting, concerns were raised regarding specific Ag Offset program details, such as the use of deed restrictions for properties participating in the program, and the use of certain well impact analysis methods. The Board directed staff to continue (to a date uncertain) the establishment of an Ag Offset program for new irrigated agriculture in the PRGWB, and also directed staff to have further discussions with the RCD on this matter; evaluate legal issues raised during the hearing; gather more information on the model update; and consider the consequences of Sustainable Groundwater Management Act (Pavley-Dickinson) rules and regulations as they start to unfold.

On February 3, 2015, the Board gave direction on the scope of specific program components associated with the development and implementation of a Countywide Water Program. During the discussion, the Board directed staff to not pursue further development of an Ag Offset program as a component of the Countywide Water Program.

On February 10, 2015, the Board directed staff to return with an unrestricted discussion regarding development of an Ag Offset program.

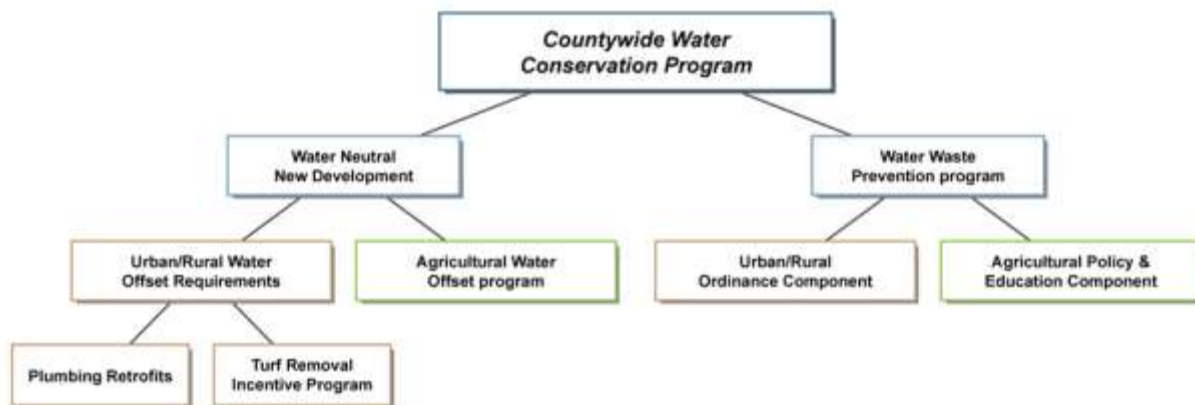
On February 24, 2015, staff presented the Board with a summary of Agricultural Water Conservation Offset (Ag Offset) program development options, ranging from a permanent program in all LOS III groundwater basins to no program.

The Board directed staff to pursue development of programs, policies and ordinance amendments related to the implementation of an Ag Offset program for the PRGWB. The Board specified that the Ag Offset program should contain sunset provisions that would allow for expiration upon adoption of a Groundwater Sustainability Plan (GSP). The Board also specified that the Ag Offset program should contain provisions that are similar to the ones currently required under the PRGWB Urgency Ordinance, and should not contain any provisions that would allow for new vested rights.

PROJECT DESCRIPTION

The objectives of the development and implementation of the proposed Countywide Water Conservation Program (Program) are to substantially reduce increases in groundwater extraction in areas that have been certified LOS III; provide a mechanism to allow new development and new or altered irrigated agriculture to proceed in certified LOS III areas, subject to the requirements of the County General Plan and County Code, in a manner that fully offsets projected water use; and to reduce wasteful use of water in the county.

The proposed Program is comprised of two components, Water Neutral New Development (WNND) and Water Waste Prevention (WWP). The figure below shows the individual components of the Countywide Water Conservation Program.



Water Neutral New Development

Water Neutral New Development (WNND) means that any new water use will be offset through water savings from within the same water source. The proposed WNND component is intended to serve as an interim measure to substantially reduce increases in groundwater extraction and the lowering of groundwater levels in certified LOS III groundwater basins. Implementation of the WNND component would effect, enhance, alter, and/or extend the existing water neutral new development programs that are already in place for the Los Osos Groundwater Basin, the Nipomo Mesa Management Area (NMMA), and areas of the Paso Robles Groundwater Basin (PRGWB) that are subject to the PRGWB Urgency Ordinance, which is set to expire on August 27, 2015.

Urban/Rural Water Conservation Offset (Urban/Rural Water Offset)

The WNND component would require that all new urban and rural development offset new water use at a minimum 1:1 ratio in all groundwater basins currently certified at Level of Severity (LOS) III by the Board of Supervisors (the Urban/Rural Water Offset). The three areas of the county that are currently certified at LOS III for water supply are the Paso Robles Groundwater Basin, the Los Osos Groundwater Basin, and the Nipomo Mesa Management Area. Although the Los Osos Groundwater Basin is certified at LOS III, the proposed provisions are only applicable to the PRGWB and the NMMA, because current requirements for development within the Los Osos Groundwater Basin exceed the proposed water conservation efforts. New development participating in this program and served by an individual well must verify installation of a well meter. Implementation of the Urban/Rural Water Conservation Offset components requires amendments to Title 19 (Building and Construction Ordinance) of the County Code. Urban/Rural Water Offset requirements would be implemented through two primary methods to generate offset credits: plumbing retrofits and a turf removal incentive program.

Plumbing Retrofits

Plumbing retrofits are proposed because retrofitting plumbing fixtures in existing buildings results in measurable water savings. Specifically, replacing older, higher water-using toilets and showerheads with more efficient fixtures will save specific amounts of water each day. For example, replacing a 3.5 gallon-per-flush (gpf) toilet with a 1.28 gpf toilet will save 2.22 gallons with every flush. Replacing toilets and showerheads is the most reliable way to achieve water savings. Additional measures, such as water pressure adjustments and installing hot water recirculation systems also save water, but savings from these measures are more difficult to quantify.

Plumbing retrofit requirements are currently in place for all three certified LOS III groundwater basins, though the requirements applicable in the Paso Robles Groundwater Basin will expire on August 27, 2015. In effect, the proposed amendments would enhance, alter and extend the plumbing retrofit programs already in place as follows:

- No change will be made to the existing plumbing retrofit program in the area overlying the Los Osos Groundwater Basin;
- The retrofit-on-sale program would remain in effect in the NMMA. Since new development in the NMMA will have to be water neutral, the requirement for new development to pay into a water conservation fund would become optional at the discretion of the NCSD, in addition to a requirement to verify that new water use has been offset at a 1:1 ratio, either through plumbing retrofits, participation in a turf removal incentive programs, or participation in an approved program or project administered by the NCSD. The logistics of exactly how this program will align with current NCSD requirements is still being assessed.
- The existing residential plumbing retrofit program in the area subject to the Paso Robles Groundwater Basin Urgency Ordinance would be extended beyond the expiration date of the Urgency Ordinance, which is August 27, 2015.

Turf Removal Incentive Program (Cash for Grass)

The proposed turf removal incentive program (Cash for Grass) would apply in the NMMA and PRGWB because outdoor water use accounts for the majority of residential water use in those areas. Removing turf or other water intensive landscaping can save water.

The proposed turf removal incentive program (Cash for Grass) would offset the water use associated with urban/rural new development by offering cash incentives for property owners to replace existing turf with low-water demand landscaping. Although many water providers administer similar turf removal incentive programs throughout the state, this program would be unique in that the County would use the generated water savings as an offset credit that could be purchased by developers to comply with offset requirements associated with their proposed new development within specific urban/rural areas. Verifying that water savings are achieved would be accomplished through use of standard water savings calculations for landscaping and by inspections at the time of new landscaping installation to verify turf removal and replacement with low-water use landscaping.

Agricultural Water Conservation Offset (Agricultural Offset)

The proposed WNND also requires that, in the PRGWB only, all new or more intensively irrigated agriculture offset new water use at a minimum 1:1 ratio (the Agricultural Offset program). The proposed WNND irrigated agriculture offset requirement would be implemented by an Agricultural Offset program.

The intent of the Agricultural Offset program is to substantially reduce groundwater extraction and the lowering of groundwater levels in the PRGWB. The proposed Agricultural Offset program provides a formal framework for the transfer of offset credits to/from agricultural operations within the PRGWB. The Agricultural Offset program specifically applies to crop conversions, new irrigated agriculture, increased

crop density, and any outdoor use (beyond typical landscaping associated with allowable land uses) that are not regulated by the proposed Urban/Rural Water Conservation Offset program.

The Paso Robles Groundwater Basin Urgency Ordinance and the program developed by the Upper Salinas-Las Tablas Resource Conservation District (RCD), as directed by the Board, were used as the development model for the proposed Agricultural Offset program. The proposed Agricultural Offset program differs from the program developed by the RCD in that it does not require a proximity analysis, well impact analysis, or third party monitoring. The proposed Agricultural Offset program does require deed restrictions and verification of well meter installation. The Agricultural Offset program includes a sunset provision upon adoption of a Groundwater Sustainability Plan prepared pursuant to the Sustainable Groundwater Management Act.

Implementation of the Agricultural Offset program requires amendments to Title 22 (Land Use Ordinance) of the County Code, as well as the amendments to policies and implementation strategies identified in Agricultural Element and the Conservation and Open Space Element of the General Plan.

Water Waste Prevention

The intent of the proposed Water Waste Prevention (WWP) component is to develop, implement, and or encourage behavioral measures that will result in improved water conservation efforts for urban /rural land uses and agricultural operations.

The proposed Water Waste Prevention (WWP) component, of the Countywide Water Conservation Program, is comprised of two elements: 1) an ordinance prohibiting certain uses of water deemed to meet the definition of water wasting in urban and rural areas, and 2) policy clarifications that would identify a series of best management practices (BMPs) aimed at reducing water waste and increasing water use efficiency in agricultural operations.

Urban and Rural Water Waste Prevention

The proposed ordinance component of the WWP program would prohibit certain activities defined as water wasting. Some examples of water waste are excessive irrigation of landscaping, washing of hard or paved surfaces, and excessive runoff. The ordinance would apply to all existing and proposed urban and rural development within the unincorporated areas of the county where a water purveyor does not already have a similar ordinance (or other comparable program) in place. Examples of these activities, in urban and rural areas, include:

- Application of water to outdoor landscapes in a manner that results in runoff into non-irrigated areas, public and private walkways, roadways, parking lots, structures or other hard surface areas
- Use of a hose to wash an automobile or other vehicle except where the hose is fitted with an automatic shut off nozzle or device attached to it that causes it to cease dispensing water when not in use
- Application of water to hard surfaces, including but not limited to, driveways, sidewalks, unpaved walkways and any other hard surface areas
- Use of potable water in a fountain or other decorative water feature
- Application of water to outdoor landscape more than 3 times per week

Implementation of this element would require an amendment to Title 8 (Health and Sanitation Code) of the County Code.

Agricultural Water Waste Prevention

The proposed policy clarifications would include provisions to reduce agricultural water waste. The provisions would be limited to expansion/clarification of existing policies and implementation measures found in the Agriculture and Conservation and Open Space Elements of the General Plan. These changes would include best management practices as well as implementation of an educational outreach

program. Examples of best management practices for efficient agricultural water use in different types of agricultural operations would include:

- Increased adoption of crop water status monitoring, such as soil moisture monitoring technology.
- More precise irrigation scheduling
- Enhanced irrigation monitoring practices
- Use of a tail water return system for any surface water application
- Use of covers or other evaporation reducing systems for agricultural irrigation ponds
- Use of wind machines for frost protection, rather than overhead sprinklers, where feasible

The County would institute an education program for interested parties on how agriculture uses water and the purpose behind certain practices. As an example, a website would be developed to educate the public on agricultural water use as well as to provide industry a clearinghouse of the newest water-efficient practices. Information on best management practices would also be provided to agriculturalists during the pesticide permit and operator identification number issuance process.

New Landscape Requirements

The objective of the new landscape requirements is to enhance water-efficient landscaping plans and landscaping associated with all new residential and commercial development construction, remodels, additions, and all public development. The proposed new requirements would be all inclusive and would focus on requiring ultra-low water using plantings based on a County recommended/or approved planting list. The new landscape requirements would also address other outdoor water uses (e.g. water features) All new requirements would also be integrated with the existing Low Impact Development (LID) policies of County.

Implementation of the proposed new landscape requirements would be achieved through the amendment of the Title 22 (Land Use Ordinance), Section 22.16 of the County Code. Staff is currently developing draft ordinance revisions that will be available for public review and consideration, prior to the end of the calendar year, at a future public hearing.

County General Plan and County Code Amendments

Implementation of the proposed Countywide Water Conservation Program would require amendments to the County General Plan and the County Code. The implementation of the proposed Water Neutral New Development component of the Countywide Water Conservation Program requires amendments to Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance), as well as the amendments to policies and implementation strategies identified in Agricultural Element and the Conservation and Open Space Element of the County General Plan.

The implementation of the proposed Water Waste Prevention component of the Countywide Water Conservation Program requires amendments to Title 8 (Health and Sanitation Code) of the County Code, as well as amendments to policies and implementation strategies in the Agricultural Element of the County General Plan to address agricultural and urban water waste prevention efforts.

The specific policy and ordinance amendments required in order to implement the proposed WNND and WWP components of the Program are discussed below.

General Plan Amendments

Conservation and Open Space Element

The Conservation and Open Space Element (COSE) is one of the elements of the County General Plan (Conservation and Open Space combines two of the required seven elements of every local jurisdiction's general plan) and was adopted after a four-year process in May 2010.

One of the ten chapters of the element addresses water resources. The chapter contains goals, policies and implementation strategies to employ those policies in ordinances and decision making processes. The following policies and implementation strategies require amendment:

- Conservation and Open Space Element of the County General Plan, *Water Resource Policy – WR 1.7* (Agricultural operations), *Water Resource Implementation Strategy - WR 1.7.1* (Protect agricultural water supplies), and *Water Resource Policy - WR 1.14* (Avoid net increase in water use);

Agriculture Element

The Agriculture Element contains goals and policies to address agricultural issues such as agricultural land protection, water availability and conversion of agricultural lands to other uses. Each policy includes an implementation strategy along with a discussion of the policy and its intent. The following policies require amendment:

- Agricultural Element of the County General Plan, *Agricultural Goal – AG1* (Support County Agricultural Production), *Agricultural Policy – AGP10* (Water Conservation) and *Agricultural Policy - AGP11* (Agricultural Water Supplies)

County Code Amendments

Title 8 (Health and Sanitation)

This Title contains retrofit-on-sale requirements and the standards for well permits and well construction. Any revisions or additions to retrofit-on-sale requirements in County jurisdiction will be part of Title 8. The Public Health Department's Division of Environmental Health is currently working on new well standards that include installation, monitoring and reporting of water use. The following chapter requires amendment:

- Title 8 (Health and Sanitation Ordinance) of the County Code for the addition of a new Chapter 8.69 – Urban and Rural Development Water Conservation Requirements

Title 19 (Building and Construction Ordinance)

Title 19, the Building and Construction Ordinance, contains all of the buildings standards for new or expanded dwellings, businesses and waste disposal systems. Potential changes to construction requirements such as retrofit-to-build would be part of this Title. Special water requirements in Los Osos and Nipomo are part of Title 19, as every dwelling constructed in the area is subject to building code requirements. The following chapter requires amendment:

- Title 19 (Building and Construction Ordinance) of the County Code, Chapter 7 – Plumbing Code, Section 19.07.42 – Water Conservation Provisions

Title 22 (Land Use Ordinance)

This title contains a majority of the land use regulations in the County jurisdiction. Title 22 addresses the inland area, and varies on how water issues are addressed based upon planning area designation. Regulatory requirements for land uses, minimum lot sizes, extension of services and new development water requirements are part of this title. The following chapters and sections require amendment:

- Title 22 (Land Use Ordinance) of the County Code, Chapter 22.06 – Allowable Land Uses and Permit Requirements by Land Use Category, Section 22.06.030 - Table 2-2, Section 22.06.040 – Exemptions from Land Use Permit Requirements, Chapter 22.30 – Standards for Specific Land Uses for the addition of a new Section 22.30.204 – New or Expanded Crop Production Overlying the Paso Robles Groundwater Basin, Section 22.30.310 – Nursery Specialties, Chapter 22.62 – Permit Approval or Disapproval, Section 22.62.030 – Zoning Clearance, and Chapter 22.80 – Definitions/Glossary, Section 22.80.030 – Definitions of Land Uses, and Specialized Terms and Phrases.

Drafts of the proposed implementation language for each specific policy and ordinance amendment are attached as Attachments A, B, C, and D.

ENVIRONMENTAL REVIEW / DETERMINATION

In order to implement the proposed Program, discretionary approval of the County of San Luis Obispo is required. This renders the Program subject to the requirements of the California Environmental Quality Act (CEQA). The County of San Luis Obispo, as lead agency, determined that an EIR must be prepared for the proposed Program.

In accordance with Section 15121 of the *State CEQA Guidelines*, the purpose of an EIR is to serve as an informational document that:

"...will inform public agency decision-makers and the public generally of the significant environmental effects of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project..."

The proposed new landscape requirements will be subject to subsequent environmental review.

Conservation and Open Space Element EIR

On May 11, 2010, the San Luis Obispo County Board of Supervisors certified the Conservation and Open Space Element (COSE) EIR. That EIR analyzed the potential impacts associated with the adoption and subsequent implementation of the COSE Consolidation and Update. The COSE unites five elements of the General Plan and incorporates conservation strategies. The consolidated elements include three elements (Conservation, Historic, and Esthetic) of the 1974 Environment Plan as well as the 1994 Energy Element, and the 1998 Open Space Element (extracted from the Agriculture and Open Space Element). This EIR is being prepared as a Supplemental EIR to the previously certified EIR for the Conservation and Open Space Element of the County of San Luis Obispo General Plan.

Supplemental EIR

The purpose of the Supplemental EIR is to comparatively analyze the environmental impacts of the proposed Program in light of the original project evaluated in the County-certified Conservation and Open Space Element Consolidation and Update General Plan Amendment EIR (SCH #2008031091).

The County of San Luis Obispo prepared a Notice of Preparation (NOP) for an environmental impact report and distributed the NOP for agency and public review for the required 30-day review period from August 15, 2014 to September 17, 2014. During that time, the County received six comment letters from public agencies and other commenters. The NOP, the Initial Study and the comment letters received on the NOP and Initial Study are included in Appendix A, of the Draft SEIR.

A public scoping meeting was held on August 27, 2014. The intent of the scoping meeting was to provide interested individuals, groups, public agencies and others a forum to provide input in an effort to assist in further refining the intended scope and focus of the EIR.

The Draft SEIR and its corresponding Notice of Availability were released for public and agency review on March 31, 2015. The public and agency review and comment period on the Draft SEIR is 45 days, and will conclude at the close of the business day on Friday, May 15, 2015. During this period, this Planning Commission hearing will serve as a public meeting on the contents and conclusions of the Draft SEIR. A reference to the web page link for the Draft SEIR is included as Attachment E.

A Final SEIR will be prepared following the close of the public comment period. The Final SEIR will include: a) the Draft SEIR; b) copies of comments received during public review; c) list of persons and entities commenting; and d) responses to comments. The San Luis Obispo County Board of Supervisors will consider the information contained in the Final SEIR during a public hearing process, which is scheduled to begin on June 16, 2015. The Board may certify that: a) the Final SEIR has been completed in compliance with CEQA; b) the Final SEIR was presented to the decision making body of the lead

agency; and c) the decision-making body reviewed and considered the information in the Final SEIR prior to approving a project. If the Final SEIR is certified, acting as the lead agency, the Board may: a) disapprove a project because of its significant environmental effects; b) require changes to a project to reduce or avoid significant environmental effects; or c) approve a project despite its significant environmental effects, if the proper findings and statement of overriding considerations are adopted.

COMMUNITY ADVISORY GROUP COMMENTS/ PUBLIC PARTICIPATION

On May 23, 2014 and again on April 8, 2015 (following the release of the DSEIR and the draft language) the proposed Countywide Water Conservation Program and associated General Plan and County Code amendments were referred to the following Community Advisory Groups:

- Agricultural Liaison Advisory Board (ALAB)
- Avila Valley Advisory Council (AVAC)
- Cayucos Citizen Advisory Council (CCAC)
- Creston Advisory Body (CAB)
- Los Osos Community Advisory Council (LOCAC)
- North Coast Advisory Council (NCAC)
- Oceano/Halcyon Advisory Council (OHAC)
- Olde Towne Nipomo Association (OTNA)
- Paso Basin Advisory Committee (PBAC)
- San Miguel Advisory Council (SMAC)
- Santa Margarita Area Advisory Council (SMAAC)
- Shandon Advisory Committee (SAC)
- South County Advisory Council (SCAC)
- Templeton Area Advisory Group (TAAG)
- Water Resources Advisory Committee (WRAC)

To date, the Chairs of PBAC, SCAC, and WRAC have notified staff that during the months of April and May, their advisory body will be reviewing the proposed program and associated amendments. They have requested a staff presentation during this time. All formal comments received will be forwarded to your Commission for consideration as they become available.

PBAC is currently reviewing the proposed program and associated amendments, and has requested that their letter, submitted to the Board on February 20, 2015, be forwarded to your Commission for consideration. Staff has included this correspondence in Attachment F.

The WRAC Ad Hoc Subcommittee has reviewed and provided comments on the agricultural portions of the proposed Countywide Water Conservation Program, associated amendments, and the Draft SEIR. Staff has reviewed these comments and has attached responses in Attachments F and G.

AGENCY REVIEW

To date, the Chair of the Nipomo Community Services District is the only agency which has notified staff that their Board of Directors will be reviewing the proposed program and associated amendments at their next meeting. They have also requested that staff prepare a presentation specifically addressing how the proposed changes will affect their district.

Staff has not received comments from any other agencies on the draft Countywide Water Conservation Program or the Draft SEIR. Any formal comments received will be forwarded to your Commission for consideration as they become available.

PROCEDURES FOR PROCESSING

When changes to the County General Plan and County Code (ordinances) are proposed, the first step in the process is for the Board to authorize staff to commence work on the amendments. If the Board authorizes processing of amendments to the various elements and codes, staff begins review of potential revisions, conduct stakeholder outreach and environmental review. The item will then be scheduled for public hearings at the Planning Commission and at the Board.

On March 4, 2014, the Board authorized staff to proceed with the processing of various General Plan and County Code amendments to develop and implement a County Water Conservation Ordinance (Countywide Water Program), consisting of New Landscape requirements, Retrofit-on-Sale, Water Waste Prevention, and Water Neutral New Development.

Following the Board authorization, staff has conducted stakeholder outreach and is currently processing the environmental review. The next step will be to complete the environmental review process, hold public hearings before the Planning Commission, and then forward the recommendations of the Planning Commission regarding certification of the Supplemental EIR and the proposed General Plan and County Code amendments associated with the proposed Program for adoption by the Board.

STAFF RECOMMENDATION

Staff recommends the Planning Commission take the following actions:

1. Review and provide comments on Draft SEIR;
2. Review and provide comments on the proposed changes to the Agricultural and Conservation and Open Space Elements of the General Plan; and
3. Review and provide comments on the proposed changes to Title 8 (Health and Sanitation Ordinance), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code.

ATTACHMENTS

The following attachments include all of the required documentation for the implementation of the Countywide Water Conservation Program. However, for easier facilitation of discussion associated with the proposed amendments, they are being provided in a non-codified ordinance format. Following the Planning Commission hearings on this item, draft resolution language will be prepared for the Board's review.

Attachment A – Proposed Agricultural Element and Conservation and Open Space Element changes

Attachment B – Proposed Ordinance changes for Title 8

Attachment C – Proposed Ordinance changes for Title 19

Attachment D – Proposed Ordinance changes for Title 22

Attachment E – Draft Supplemental Environmental Impact Report, available online at:

<http://www.slocounty.ca.gov/planning/water-amendments/environmental-review.htm>

Attachment F – Correspondence

Attachment G – Staff Response to Correspondence